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Bob Margett  
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**AGENDA**  
May 18, 2006  
3:00 p.m. – Room 113

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Issue 1: One-Time Proposition 98 Funding

One-Time Prop 98 Funding Plan (2006-07)		
Programs	Proposed Funding	
Mandates		959.0
Instructional Materials (Balancer)		78.9
English Learner Instructional Materials		30.0
Emergency Repair Program		137.0
CALPADS		11.0
Revenue Limit Adjustments		10.5
School District Fiscal Solvency Plans		10.0
B TSA		9.6
Charter School Facilities Grants		9.0
School Breakfast Start-up Grants		3.0
Teacher Credentialing Reforms (SB 1209)		2.0
Principal Training		1.0
Budget Officer Training		1.1
CSIS Transition Support		0.5
Attendance Accounting		0.4
Discretionary One-Time School Grants (Per ADA)*		1,000.0
<i>* Provides per ADA grants to districts for one-time school site expenditures, such as deferred maintenance, music and arts, physical education, libraries, and classroom supplies. Districts and schools must document how they spend these one-time funds.</i>		

**Governor's One-Time Spending Proposal** **2,263.0**

Staff Recommendation: Approve the proposed one-time Proposition 98 funding plan. Disapprove all other January Budget and May Revision one-time funding proposals. Select Instructional Materials as balancer item.

# Issue 2: Ongoing Proposition 98 Funding

Ongoing Prop 98 Funding Plan (2006-07)		
Programs	Proposed Funding	
Revenue Limit Equalization *		300.0
Revenue Limit Deficit Factor		308.6
Counselors		75.0
Mandates		133.4
Arts and Music Education (K-12)		150.0
Teacher Recruitment & Retention		100.0
Teacher Credentialing Reforms		18.0
CAHSEE Intervention		50.5
Community Colleges		25.0
School Meal Increases		37.8
Economic Impact Aid		300.0
Special Education (Balancer)		50.0
CALPADS Assistance Funds		15.0
High Speed Network Costs		4.4
CAHSEE - Additional Test Administrations		7.7
National Board Subsidy		5.0
Nursing- Alternative Career Pathways		5.0
Paraprofessional Program		1.3
Kindergarten Oral Health Notification		4.4
CSIS Transition Support		0.5
STAR - Modified Assessment		0.1

\* Does not include the \$17.8 million proposed by the Governor for equalizing COE administrative funds.

**Governor's Budget Ongoing Proposal** **1,588.6**

Staff Recommendation: Approve the proposed ongoing Proposition 98 funding plan. Select Special Education as balancer.

### 3. Enrollment Growth

Item	Issue	Description	Staff Recommendation	BBL/TB
Various Items	May Revision Finance Letter: <b>Enrollment Growth Adjustments for K-12 Education Programs. Local Assistance. General Fund.</b> (Issue 403)	Provides enrollment growth funding of <b>\$112.4 million</b> in 2006-07. This reflect a reduction of for revenue limit and categorical programs of <b>\$205.9 million</b> below the Governor's January Budget to reflect lower estimates of student enrollment in 2006-07. The Governor's January budget estimated a 0.21 percent growth rate; the May Revisions estimates negative growth of -0.26 percent. For budgeting purposes, the May Revise provides zero growth for most revenue limit and categorical programs and some positive growth for categorical programs with other statutory growth rates. Total average daily attendance (ADA) is estimated to be 5,957,000 in 2006-07, a drop of 66,000 ADA from 2005-06.	<b>Approve May Revision.</b>	

## 4. Cost-of-Living Increases (COLAs)

Item	Issue	Description	Staff Recommendation	BBL/TB
Various Items	May Revision Finance Letter: <b>Cost-of-Living Adjustments for K-12 Education Programs.</b> Local Assistance. General Fund. (Issue 405)	The May Revision provides <b>\$2.6 billion</b> in total funding K-12 Cost-of-Living-Adjustment (COLA) for revenue limit and categorical programs. This amount reflects an increase of <b>\$320.4 million</b> over the Governor's January Budget as a result of an increase in the COLA rate from 5.18 percent to 5.92 percent.	Approve May Revision	
6110-188-0001	May Revision Finance Letter: <b>State School Deferred Maintenance Program.</b> Local Assistance. General Fund. (Issue 162)	It is requested that this item be increased by \$1,366,000 to fully fund the state's share of the State School Deferred Maintenance Program.	Approve May Revision	
6110-198-0001	May Revision Finance Letter: <b>CalsAFE Program.</b> (Issue 405)	It is requested that this item be increase by \$275,000 to reflect growth and COLA adjustments.	Approve May Revision	
6110-211-0001	May Revision Finance Letter: <b>High School Class Size Reduction.</b> Local Assistance. General Fund. (Issue 405)	It is requested that this item be increased by \$815,000 to reflect a change in the COLA rate from 5.18 percent to 5.92 percent.	Approve May Revision	
6110-234-0001	May Revision Finance Letter: <b>K-3 Class Size Reduction.</b> Local Assistance. General Fund. (Issue 405)	It is requested that this item be increased by \$12,321,000 to reflect a change in the COLA rate from 5.18 percent to 5.92 percent.	Approve May Revision	

6110-104-0001	DOF Technical Correction: <b>Supplemental Instruction. Local Assistance. General Fund.</b>	Growth and COLA adjustments were inadvertently left out of the May Revision letter. DOF requests changing the Governor's Budget to reflect May Revision growth and COLA estimates for two supplemental instruction programs -- Low STAR and Core Academic. Provides a \$149,000 decrease for growth and \$516,000 increase for COLA.	<b>Conform to May Revision growth and COLA adjustments.</b>	
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## 5. Revenue Limit Deficit Factor

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-601-0001 6110-608-0001 Non-Budget Act Items	May Revision Finance Letter: <b>Elimination of Outstanding Deficit Factor.</b> Local Assistance. General Fund. (Issues 127 and 407)	The Governor's Budget proposes <b>\$308.6 million</b> to eliminate outstanding revenue limit deficit factor for school districts and county offices of education. The deficit factor resulted from the elimination of revenue limit COLAs and revenue limit reductions in the 2003-04 budget. The Governor's January budget proposed \$206.2 million in deficit reduction. The Governor's May Revision proposal to pay an additional \$102.4 million to eliminate remaining deficit factor in 2006-07. The LAO recommends approval of the May Revision proposal.	Approve May Revision.	TB



## 6. Revenue Limit Equalization

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-601-0001 6110-608-0001 Non-Budget Act Items	May Revision Finance Letter: <b>Revenue Limit Equalization</b> . Local Assistance, General Fund. (Issue 126)	The Governor proposes a <b>\$300 million</b> increase in funding to equalize school district revenue limits. The Governor's January Budget provided <b>\$200 million</b> . The May Revision proposes an additional <b>\$100 million</b> , which is estimated to more move the state more than halfway toward fully meeting the state's equalization target. The Governor's proposal does not include revenue limit equalization for county offices of education. The LAO recommends approval of \$200 million for school district revenue limit equalization and redirection of \$100 million to equalize funding for other programs. The LAO also recommends folding four revenue limit add-on programs into the revenue limit base as a part of equalization.	Approve May Revision funding level for revenue limit equalization. Tie to level of funding for Economic Impact Aid expansion. Adopt LAO recommendation to fold four add-on programs into revenue limit base before equalizing.	

## 7. Mandates

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-295-0001	Governor's January Budget: <b>Restoration of Annual Education Mandate Payments.</b> Local Assistance. General Fund.	The budget proposes to restore annual funding for K-12 education mandates and to stop the recent practice of deferring or suspending all funding for education mandates. Specifically, the Governor proposes to provide <b>\$133.6 million</b> to cover the annual costs of state-mandated local education programs for K-12 school districts and county offices of education in 2006-07. The Governor's May Revision Letter -- discussed in an earlier item -- provides an additional <b>\$30.0 million</b> in one-time funds for payment of annual mandate claims in 2006-07. Together these funds provide <b>\$163.3 million</b> and would more than address the deficiency identified by LAO.	Approve Governor's Budget and May Revision proposals to conform to action on Prop 98 spending plan.	

## 8. School Enrichment Block Grant (Teacher & Administrator Recruitment and

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-262-0001	Governor's January Budget. <b>Ongoing Funds for School Enrichment Block Grants. Local Assistance. General Fund.</b>	<p>The Governor proposes <b>\$100 million</b> in ongoing funding for School Enrichment Block Grants to support the recruitment and retention of teachers and principals in schools in the lowest three deciles of the Academic Performance Index (API).</p> <p>The Governor proposes an additional <b>\$3 million</b> in one-time funds to continue a state level contract to assist these low performing schools in recruiting highly qualified teachers. The LAO recommends rejecting this proposal.</p>	<p><b>Approve Governor's Budget for Block Grants. Reappropriate <u>\$3 million</u> in unexpended 05-06 funds for state level teacher recruitment.</b></p> <p>[Funds to be used for Personnel Mgt Teams to (1) assist districts in improving their human resources practices to better recruit and retain teachers and (2) establish a clearinghouse for personnel management best practices.]</p>	TB

## 9. Beginning Teacher Support and Assessment (BTSA)

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-637-0001	Governor's January Budget. <b>BTSA Expansion for Third Year of Program.</b> Local Assistance. General Fund.	The Governor proposes <b>\$65 million</b> to establish a third year of BTSA funding for beginning teachers serving in schools ranked in the lowest three deciles of the Academic Performance Index (API). The LAO recommends rejecting this proposal.	<b>Reject Governor's Budget.</b>	

## 10. Teacher Proposals

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0890	May Revision Finance Letter: <b>Federal Title II Statewide Activities</b> . State Operations. Federal Funds. (Issue 492)	It is requested that this item be increased by <b>\$2,309,000</b> in one-time federal carryover funds to implement statewide activities to comply with federal guidelines. Specifically, <b>\$209,000</b> is provided to implement a No Child Left Behind Monitoring, Interventions, and Sanctions program to oversee California's compliance with federal teacher quality standards. In addition, <b>\$2.1 million</b> is provided to conduct an evaluation of teacher induction programs, including the Beginning Teacher Support and Assessment (BTSA) program. These proposals comply with federal Title II guidelines for statewide activities. The LAO recommends rejecting this proposal.	Approve May Revision and adopt language to allocate \$2.1 million for teacher program and credentialing studies and assessments.	

6110-195-0890	May Revision Finance Letter: <b>Federal Title II Statewide Activities. Local Assistance.</b> Federal Funds. (Issue 491)	It is requested that this item be decreased by <b>\$6,709,000</b> . This reflects a \$3.6 million decrease in federal funding and a \$3.1 million realignment of state Title II funds to comply with federal guidelines. A recent finding by federal program monitoring staff found that funds were inappropriately being allocated to local educational agencies (LEAs) that should have been used for statewide activities, defined as activities that benefit all LEAs.	<b>Approve May Revision.</b>	
6110-195-0001	May Revision Finance Letter: <b>State Teacher Incentives National Board Certification.</b> Local Assistance. General Fund. (Issue 515)	It is requested that this item be increased by <b>\$5.0 million</b> to pay up to \$1,000 of the fee for teachers interested in seeking National Board Certification, with priority for teachers in High Priority Schools. National Board for Professional Teaching Standards certification is a voluntary program, which requires teachers to pass rigorous standards and assessments. Certification currently costs \$2,500, with federal funds covering half the fee. This funding will reduce fees to only \$250 for up to 5,000 teachers.	<b>Approve May Revision.</b>	

## 11. Fruits and Vegetables

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-486 6110-217-0001	May Revision Finance Letter: <b>Fresh Start Pilot Program. Local Assistance.</b> General Fund. (Issue 916)	The Governor's January Budget proposed <b>\$18.2 million</b> in ongoing funding to continue funding for the California Fresh Start Pilot Program. The May Revision proposal reduces ongoing funding by <b>\$13.0 million</b> to reflect the availability of unexpended California Fresh Start Pilot Program resources. Due to delays in implementing the program, approximately \$13.0 million will not be expended in the current year. These funds, coupled with <b>\$5.2 million</b> in ongoing funding, will be used to provide school meal programs with more fruits and vegetables in 2006-07. LAO recommends rejecting General Funds for this program.	<b>Approve</b> <b>reappropriation of \$13.0 million in one-time funds.</b> <b>Disapprove of \$5.2 million in ongoing funds per LAO recommendation.</b>	
6110-001-0001	April Finance Letter: <b>Fresh Start Pilot Program. State Operations.</b> General Fund. (Issue 881)	Provides <b>\$174,000</b> to make permanent 2.0 positions established in 2005-06 to administer the California Fresh Start Pilot Program. This provides an increase of \$74,000 above the Governor's January Budget. These positions will process reimbursement claims and maintain records. The Governor proposes to make this program permanent.	<b>Reject May Revision proposal to establish 2.0 permanent positions. Continue 2.0 positions through December 2007 as limited term positions.</b>	

## 12. Child Nutrition

Item	Issue	Description	Staff Recommendation	BBL/TB
611-203-0001	May Revision Finance Letter: <b>Child Nutrition - Increasing State Meal Rate.</b> Local Assistance. General Fund. (Issue 902)	Provides an increase of <b>\$37.8 million</b> to increase the School Breakfast and Lunch state reimbursement rate by seven cents (\$0.07) from approximately \$0.15 to \$0.22.	<b>Approve May Revision. Conforms to action on Prop 98 spending plans.</b>	
6110-001-0001	May Revision Finance Letter: <b>Child Nutrition Point-of-Service Technology Study.</b> State Operations. General Fund. (Issue 920)	Provides a <b>\$1.0 million</b> increase for a child nutrition point-of-service technology study. This study will assess the availability and costs of current point-of-service technologies that allow parents to monitor and limit the foods children eat at school.	<b>Reject May Revision.</b>	
6110-001-0001	Governor's January Budget: <b>Child Nutrition - Information and Payment System.</b> State Operations. General Fund.	Provides <b>\$3.2 million</b> in federal funds and <b>7.4 limited-term positions</b> to begin implementation of the new Child Nutrition Information Payment System (CNIPS) in 2006-07. DOF approved the feasibility study report for CNIPS in March 2005.	<b>Approve Governor's Budget.</b>	



6110-001-0001	Governor's January Budget: <b>Child Nutrition - Staff to Support Implementation of Standards for Non-School Meal Food.</b> State Operations. General Fund.	Provides <b>\$100,000</b> in General Funds for a 0.9 position to coordinate the nutrition standards activities to implement Chapter 235/2005 (SB 12/Escutia). Chapter 235 sets nutrition standards for food sold outside the federal school meal programs during the school day at all elementary through high school campuses, effective July 1, 2007. The Governor also proposes \$200,000 in reimbursements to be collected from vendors who elect to have their product certified as meeting the Chapter 235 standards.	<b>Approve Governor's Budget.</b>	
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### 13. Physical Education Block Grants

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-260-0001	Governor's January Budget: <b>Physical Education Block Grant</b> . Local Assistance. General Fund.	Provides <b>\$100 million</b> in ongoing funds for physical education block grants for K-8 schools. Funding may be used for hiring qualified staff, reducing class size, and providing standards aligned professional development and curricula.	<b>Reject Governor's Budget to reflect other priorities in Prop 98 spending plans.</b>	
6110-260-0001	May Revision Finance Letter. <b>Physical Education Block Grants</b> . Language Change. Local Assistance. General Fund. (Issue 516)	Amends budget bill language to require alignment with legislation to be enacted during the 2005-06 Regular Session.	<b>Reject May Revision. Conforms to action on local assistance block grants.</b>	

## 14. Music and Arts Block Grants

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-265-0001	May Revision Finance Letter: <b>Arts and Music Block Grants</b> . Local Assistance. General Fund. (Issue 673)	The Governor proposes a total of <b>\$166.0 million</b> . The Governor's January Budget proposed \$100 million for K-8 students; the May Revision increases this amount by \$66.0 million to provide funds for students in grades K-12. The May Revision also increases the per pupil rate to \$25 per pupil for sites with enrollment of 201 pupils or more. The grant will continue to provide minimum funding levels of \$3,000 per site for sites with ten or fewer pupils and \$5,000 per site for sites with between eleven and 200 pupils. The LAO recommends rejecting this proposal.	Approve May Revision for K-12 students. Reduce funding level to <u>\$150 million</u> to conform to action on Prop 98 spending plans.	

## 15. Education Technology - Digital Classrooms

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-264-0001	Governor's January Budget. Digital Classroom Grants. Local Assistance. General Fund.	The Governor proposes <b>\$25 million</b> to establish a new program intended to eventually provide one-time Digital Classroom Block Grants to classrooms in all K-12 schools. These one-time block grants are intended to advance the effective use of education technology in order to improve classroom instruction and student achievement. LAO recommends rejecting this proposal. Under a pending Microsoft settlement schools may soon be receiving an estimated \$400 to \$600 million in technology vouchers for hardware and software purchases.	<b>Reject Governor's Budget.</b>	

## 16. K-12 High Speed Network

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-182-0001	May Revision Finance Letter: <b>K-12 High Speed Network</b> . Local Assistance. General Fund & Reimbursements. (Issue 647)	Provides <b>\$8.6 million</b> in ongoing and General Funds for costs associated with the K-12 High Speed Network. Total expenditure authority will be <b>\$15.6 million</b> , consisting of \$8.6 million in Proposition 98 General Fund, \$3.0 million from existing reserves, and \$4.0 million in excess funds in the equipment refresh account. Further, it is anticipated that the \$8.6 million will be offset by any funds received from claims for E-rate and/or the California Teleconnect Fund (CTF). The \$15.6 million will allow the K-12 High Speed Network to continue providing LEAs with electronic connections to the Corporation for Education Network Initiatives in California (CENIC), California's colleges and universities, and to each other. Provisional language will exclude major subcontracts, defined as subcontracts above \$25,000, from charges for indirect costs. This will allow the K-12 High Speed Network to fully expend pass-through funds for contracted services without the need to charge indirect costs.	Approve May Revision and LAO recommendations to budget <b>\$4.6 million</b> for E-Rate and CTF funds. This reduces General Funds by <b>\$4.6 million</b> . Adopt LAO budget bill language.	

## 17. CAHSEE Intervention Grants

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-204-0001	May Revision Finance Letter: <b>Expansion of CAHSEE Assistance.</b> Local Assistance. General Fund. (Issue 840 & 852)	Increases funding by <b>\$30.5 million</b> to provide additional supplemental instruction and specialized materials to pupils who have failed or are at risk of failing the California High School Exit Exam (CAHSEE). This provides a total of <b>\$70.5 million</b> for CAHSEE intervention-related programs. Of the additional funds provided, <b>\$10.0 million</b> will provide supplemental instruction via adult education to fifth-year seniors who have met all graduation requirements except for passage of the CAHSEE. In addition, <b>\$5.5 million</b> will be available on a one-time basis for school districts to purchase individual intervention materials for students who have failed or are at risk of failing the CAHSEE.	<u>Approve May Revision level of funding. Adopt LAO and staff recommendations.</u> LAO: (1) direct funding to all students, including students with disabilities, in the Class of 2007 and 2008 who have failed both tests; (2) require CDE to report annually on the number of students taking CAHSEE; and (3) provide \$100,000 in Title VI funds for an independent study of English learner students and students with disabilities who did not pass CAHSEE.  (continued in Comments section)	

6110-113-0001	May Revision Finance Letter: <b>Additional Administrations of CAHSEE.</b> Local Assistance. General Fund. (Issue 242)	Provides an increase of <b>\$7.7 million</b> to develop three additional administrations of the California High School Exit Examination (CAHSEE). These administrations will accommodate students who attend school at non-traditional times, such as evenings and weekends, and provide students with additional opportunities to pass the examination. In addition, funds will be used by the independent evaluator to perform analyses related to the three additional administrations.	<b>Approve \$5.12 million for two additional administrations of CAHSEE.</b>	
6110-113-0001	May Revision Finance Proposal: <b>Writing Test for California Modified Assessment for STAR.</b> Local Assistance. General Fund. (Issue 253)	Provides <b>\$80,000</b> to develop a writing test for the new California Modified Assessment for the STAR program. This augmentation will accommodate the needs of special education students.	<b>Approve May Revision.</b>	

## 18. Counseling

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-108-0001	May Revision Finance Letter: <b>Grade 7-12 Counseling Program</b> . Local Assistance. General Fund. (Issue 850)	Appropriates <b>\$200.0 million</b> to increase the number of school counselors that serve 7th through 12th grade students. These funds will supplement, not supplant, existing counseling resources and improve the student-to-counselor ratios for middle schools to 500:1 and high schools to 300:1. Moreover, unlike existing counseling services that steer students toward higher education, these new counselors will provide students who do not intend to pursue higher education with needed career and vocational assistance.	<b>Approve May Revision but reduce funding to <u>\$75 million</u> to conform to action on Prop 98 spending plans.</b>	



## 19. Special Education - Local Assistance

Item	Issue	Description	Staff Recommendation	BB/L/TB
6110-161-0890	May Revision Finance Letter: <b>Federal Funds Adjustment.</b> Local Assistance. Federal Funds. (Issue 412)	Decreases federal special education funding by <b>\$13,643,000</b> to reflect a decrease in the federal special education grant level.	<b>Approve May Revision.</b>	
6110-161-0001	May Revision Finance Letter: <b>Various Baseline Adjustments.</b> Local Assistance. General Fund. (Issues 402 & 408)	It is requested that this item be amended to increase the Proposition 98 General Fund for the Special Education program by a net total of <b>\$3,291,000</b> . This action will provide a baseline-related increase of \$30,000 and an increase of \$3,261,000 as a result of a decrease in local property taxes. We note that adjustments for growth and the COLA are included in other issues, and bring the total net increase of this item to \$19,454,000.	(1) Approve May Revision baseline adjustments. (2) Augment funding for the extraordinary cost pool by <u>\$2.0 million</u> , with budget bill and trailer bill language to allow reimbursement for students residing in licensed children's institutions. (3) Remove budget bill language directing <u>\$52.6 million</u> for one-time purposes.	

## 20. Special Education - State Operations

Issue	Description	Staff Recommendation	BBL/TB
6110-161-0001 6110-161-0890	May Revision Finance Letter: <b>Family Empowerment Centers</b> . State Operations. Federal Funds. (Issue 041)	Increases funding in item by <b>\$934,000</b> in order to partially shift funding for Family Empowerment Centers for Federal Individuals with Disabilities Education Act (IDEA) funds to General Fund. There would be a corresponding increase in Federal IDEA Special Education local assistance. This transaction will increase special education local assistance and reduce state-level activities to remain within the federal cap.	<b>Approve Governor's Budget.</b>
6110-001-000 6110-001-0890 6110-161-0890	May Revision Finance Letter: <b>Correctional Youth Authority Special Education Report</b> . State Operations. Federal Funds. (Issue 040)	Reduces state operations by <b>\$303,000</b> and shifts savings to local assistance by a corresponding amount. The Governor's January budget proposed these funds for the California State University, San Bernardino to provide special education monitoring and technical assistance to the California Youth Authority, pursuant to SB 505 (Perata). This transaction will increase special education local assistance and reduce state-level activities to remain within the federal cap.	<b>Approve Governor's January Budget.</b>

6110-001-000 6110-001-0890 6110-161-0890	May Revision Finance Letter: <b>State Special Schools Transportation.</b> State Operations. Federal Funds. (Issue 047)	It is requested that Item 6110-001-0890 be reduced by <b>\$963,000</b> and that Item 6110-161-0890 be increased by a corresponding amount. It is further requested that Item 6110-008-0001 be increased by \$963,000 in order to eliminate Federal Fund reimbursements for State Special Schools Transportation. This transaction will reduce state-level activities to remain within the federal cap. The net cost is an increase of \$963,000 to the General Fund.	<b>Approve Governor's January Budget.</b>	
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## 21. Special Education - State Special Schools

Issue		Description	Staff Recommendation	BBL/TB
Governor's January Budget. <b>California School for the Deaf - Riverside. State Operations.</b> General Fund		<b>\$117,000</b> in one-time General Funds (Non-98) for a contract for a Data Resource Specialist to help transition the school to a new student data collection system.	Approve Governor's Budget.	
Governor's January Budget. <b>California School for the Deaf - Riverside. State Operations.</b> General Fund		<b>\$47,000</b> in General Funds (Prop 98) for a 0.5 visual and performing arts teacher position to supplement another partial, existing position.	Approve Governor's Budget.	
Governor's January Budget. <b>California School for the Deaf - Riverside. State Operations.</b> General Fund		<b>\$117,000</b> in General Funds (Prop 98) for a 0.9 resource specialist position to help the school implement instruction linked to the state's academic and performance standards.	Approve Governor's Budget.	
Governor's January Budget. <b>California School for the Deaf - Riverside. State Operations.</b> General Fund		<b>\$285,000</b> in General Funds (Prop 98 ) for a 2.8 Early Childhood Education teachers to extend funding to additional students enrolling in the early childhood education program.	Approve Governor's Budget.	
Governor's January Budget. <b>California School for the Deaf - Freemont. State Operations.</b> General Fund.		<b>\$79,000</b> in General Fund (Non-98) for a 0.8 position to support the additional costs of maintenance and janitorial services for a new Pupil Personnel Services facility scheduled to be completed in July 2006.	Approve Governor's Budget.	

	<p>April Finance Letter: <b>California School for the Deaf - Riverside: Capital Outlay.</b> General Fund</p>	<p><b>Building New Gymnasium and Pool Center.</b> DOF requests that the amount in item 6110-301-0660 be decreased by <b>\$773,000</b> to reflect a revision to the request for a gymnasium and pool center. The adjustment reflects the cost to build a new gymnasium and pool center rather than renovate the current</p>	<p><b>Approve April Letter.</b></p>	
	<p>April Finance Letter: <b>California School for the Deaf - Riverside: Capital Outlay.</b> General Fund</p>	<p><b>Kitchen and Dining Hall Seismic Renovations.</b> DOF requests that the amount in item 6110-301-0660 be increased by <b>\$4,428,000</b> to provide for extensive seismic modifications not anticipated for a renovation project for the kitchen and dining hall. The proposed increase would mean a total appropriation level of <b>\$8,834,000</b> for the project.</p>	<p><b>Approve April Letter.</b></p>	

## 22. Federal Proposal - Program Improvement Schools/Districts

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-135-0890	May Revision Finance Letter: <b>Consolidate Carryover Funds for NCLB Programs and Allocate for Program Improvement Schools/Districts</b>	The Governor proposes to appropriate <b>\$82 million</b> in federal carryover funds for low performing schools and districts identified as needing "Program Improvement" (PI) under the federal No Child Left Behind (NCLB) Act. The Administration is working with the California Department of Education on the development of a specific proposal that would utilize these one-time funds to increase student achievement in Program Improvement schools and districts. The details of the new program have still not been fully developed. The Governor would shift carryover funds from the following federal programs to assist Program Improvement schools and districts: --\$24.3 million for Title I-Basic Grants; --\$22.2 million for Title I-Program Improvement; --\$19.2 million for Title I-Migrant Education; and --\$16.1 million for Title V-Comprehensive School Reform (CSR).	<b>Reject Governor's Proposal. Appropriate funds from the four federal programs back to their originating programs and budget items.</b>	BBL
6110-135-0890	May Revision Finance Letter: <b>Migrant Education Carryover Funds. Local Assistance. Federal Funds. (Issue 848)</b>	It is requested that this item be increased by <b>\$10.0 million</b> to reflect the availability of one-time Migrant Education federal carryover funds. These funds will augment the \$81.9 million provided in the Governor's Budget for the Federal Funds Flexibility Proposal. This proposal will improve migrant student achievement in Program Improvement schools and districts.	<b>Reject May Revision. Appropriate carryover funds to Migrant Education Program.</b>	

## 23. Accountability

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-123-0001	May Revision Proposal: <b>Eliminate Reversion of Current Year Funding for High Priority Schools Grant Program.</b> Local Assistance. General Fund.	The Governor's budget proposes a total of <b>\$243 million</b> in 2006-07 for the High Priority (HP) Schools Grant program. This budget provides \$201 million for a second cohort of HP. Annual funding for planning grants and implementation grants for the second cohort, as proposed, cannot exceed this amount in any fiscal year. The 2005-06 budget appropriated \$60 million for planning grants for a second cohort of HP schools in 2005-06. These funds have not yet been expended. The Department of Education has developed several options for the Legislature to consider in expending these funds for the second HP cohort and for a pilot program to assist and intervene with alternative schools that are not eligible to participate in the HP program.	<b>Approve May Revision.</b>	
6110-136-0890	May Revision Finance Letter: <b>Title I School Improvement Program.</b> Local Assistance. Federal Funds. (Issue 258)	It is requested that Schedule (3) of this item be decreased by <b>\$17,868,000</b> to make amounts available for Title I state-monitored schools under the Immediate Intervention/Underperforming Schools Program consistent with CDE funding estimates. Similarly, it is requested that funding be adjusted for the district accountability program.	<b>Approve May Revision.</b>	

## 24. Federal Proposal - Reading First

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-126-0890	May Revision Finance Letter: <b>Reading First Program.</b> Local Assistance. Federal Funds. (Issue 511)	Increases one-time carryover funding by <b>\$12.6 million</b> to expand grants to participating districts, pursuant to implementing legislation. This brings total funding to <b>\$158.0 million</b> in 2006-07. The Governor is requesting a fifth year of funding for schools that currently receive Reading First grants and proposes to lift the current cap limiting participation to approximately 75 percent of the schools in funded districts. The Governor does not provide funding for schools in new eligible districts.	<b>Approve May Revision carryover funding with changes to provide adopt LAO recommendations to (1) establish the definition of significant progress in legislation and (2) set-aside the same level of funding for a new round of districts as provided in 2005-06.</b>	



## 25. Instructional Materials

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-189-0001	Governor's January Budget. <b>Instructional Materials Block Grant.</b> Local Assistance. General Fund.	The Governor's Budget proposes <b>\$402 million</b> in Proposition 98 funding for the Instructional Materials Block Grant in 2006-07, which provides a \$40 million (11 percent) increase over the 2005-06 level of funding. The Governor's budget also includes an estimated \$190 million in State Lottery funds for K-12 schools in 2006-07, which reflects a \$40 million increase in lottery revenues beginning in 2005-06 that must be used for instructional materials. The LAO recommends that the Legislature reject the \$40 million Proposition 98 increase considering the \$40 million in new lottery revenues available to schools for instructional materials in 2006-07.	<b>Approve Governor's Budget.</b>	

## 26. Student Data Systems - CALPADS & CSIS

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0001	May Revision Finance Letter: <b>Staff Position - Statewide Student Identifier Maintenance Program.</b> State Operations. General Funds. (Issue 651)	Increases by <b>\$53,000</b> for an additional 0.5 position for support and administration of the Student Identifier Acquisition and Maintenance program.	Approve May Revision.	
6110-101-0349	May Revision Finance Letter: <b>District Funding -- California School Information Services (CSIS).</b> Local Assistance. Reimbursements. (Issue 649)	Provides <b>\$15,093,000</b> . This increase will allow \$31.0 million [(\$20.0 million from the Educational Telecommunications Fund and \$11.0 million from 2005-06 Proposition 98 General Fund (see discussion of 2005-06 below)] to be allocated to school districts that voluntarily opt to join a less intensive version of CSIS designed to assist districts in establishing the hardware/software and data management process necessary for a smooth transition to CALPADS in 2008. The funding will be allocated using the existing statutory CSIS funding rate and will be appropriated for expenditure over a two-year period. Requires approval of plan by DOF, OSE, and LAO.	Approve May Revision level of funding. Adopt LAO recommendation for redirection \$500,000 to add 11.0 positions for CSIS support. Amend budget bill language to reflect technical changes regarding LAO approval of plan.	

6110-140-0001	<p>May Revision Finance Letter:  <b>Statewide Support -- CALPADS Preparation.</b> Local Assistance. General Fund. (Issue 560)</p>	<p>Provides an increase of <b>\$545,000</b> to reflect the first year of support for a three-year plan to transition all districts to the California Longitudinal Pupil Achievement Data System (CALPADS). These funds will support <b>6.0 positions</b> and increased administration costs due to increased workload associated with working with districts that voluntarily opt to join a less intensive version of CSIS. This version will be designed to assist districts in establishing the hardware/software and data management processes necessary for a smooth transition to CALPADS in 2008. It is anticipated that all districts will be completed in the next three years.</p>	<p><b>Approve May Revision and augment funding by \$15.0 million for CALPADS incentive grants per LAO recommendation. Conforms to action on Prop 98 spending plans.</b></p>	
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## 27. Teacher Data Systems

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0890	May Revision Finance Letter: <b>Development of the Teacher Database System.</b> State Operations. Federal Funds. (Issue 494)	Provides an increase of <b>\$938,000</b> in one-time federal Title II carryover funds for one Associate Governmental Program Analyst position and other first year development costs of the Teacher Database System.	<b>Approve May Revision.</b>	

## 28. Career Technical Education

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-166-0890	May Revision Finance Letter: <b>Vocational Education Funding.</b> Local Assistance. Federal Funds. (Issue 582)	Increases federal Vocational Education funding by <b>\$11,428,000</b> to reflect the availability of one-time carryover funds. This one-time funding will support additional vocational education activities, including those that complement Career Technical Education programs.	<b>Approve May Revision</b>	
6110-166-0890	April Finance Letter: <b>Vocational Education Funding.</b> Local Assistance. Federal Funds. (Issues 577 & 578)	Provides an increase of <b>\$11,428,000</b> to reflect the availability of one-time federal carryover funding. This one-time funding will support additional vocational education activities, including those that complement the Governor's Career Technical Education Initiative.	<b>Approve April Letter - Issue 577. Reject April Letter -Issue 578 to conform to May Revision proposal in previous item.</b>	
6110-001-0001	New Issue. <b>College Outreach - Parental Notification of College Opportunities.</b> State Operations. General Fund.	Appropriate <b>\$500,000</b> in ongoing funding to the Department of Education to notify parents of college and financial aid opportunities for their children. CDE would send a notification letter annually to the parents of all 6th, 8th and 10th graders in the state.	<b>Approve Legislative augmentation for college outreach.</b>	
6110-001-0890	Governor's January Budget. <b>Career Technical Education -- Accountability System.</b> State Operations. Federal Funds.	Career Technical Education - Accountability System. Provide <b>\$63,000</b> in federal Carl Perkins funds and \$107,000 in Cal Works reimbursement funds to allow CDE to administer an accountability system for career technical education. Funding is provided to convert 1.9 limited-term	<b>Approve Governor's Budget.</b>	

6110-001-0001	Governor's January Budget. <b>Career Technical Education --Staff Support.</b> State Operations. General Fund.	Provides <b>\$193,000</b> in federal Carl Perkins funds for 1.9 limited-term positions to implement the Career Technical Education program created by Chapter 352, Statutes of 2005 (SB 70/Scott). These positions would oversee the alignment of career technical education curriculum in K-12 schools and community colleges with industry-based programs; analyze and review curriculum; and prepare required reports. The Governor's budget proposes these positions in both 2005-06 and 2006-07.	<b>Approve Governor's Budget.</b>	
6110-001-0001	Governor's January Budget. <b>Career Technical Education - California Career Resource Network.</b> State Operations. General Fund.	Provides <b>\$159,000</b> in General Funds and \$159,000 in federal funds to increase funding for an interagency agreement with the California Career Resource Network.	<b>Approve Governor's Budget and conform to other May Revision changes.</b>	

## 29. Other Proposition 98 Reversions

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-495	May Revision Finance Letter: <b>Proposition 98 Reversion Account - Various Reversions.</b> Local Assistance. General Fund. (Issues 350,720,923)	The May Revision provides an update of estimated balances available from the current year and prior years.	Approve May Revision. Conform to action on Prop 98 spending plan.	BBL

### 30. Other Proposition 98 Reappropriations

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-491	May Finance Revision Letter: <b>Reappropriation - Mental Health Services Act.</b> State Operations. (Issue 053)	Reappropriates <b>\$289,000</b> in funds appropriated in Item 6110-001-3085 of the Budget Act of 2005 be reappropriated. These funds were intended to allow the CDE to provide contracting services to LEAs pursuant to the Mental Health Services Act (Proposition 63). Due to timing issues, the funds will not be spent in fiscal year 2005-06 and are intended to be reappropriated for the same purposes in 2006-07.	<b>Approve May Finance Letter.</b>	
6110-491	May Finance Revision Letter: <b>Reappropriation - Chief Business Officers Training.</b> Local Assistance. (Issue 091)	Reappropriates funding of \$1.0 million in funds provided by Item 6110-485 of the Budget Act of 2005. These funds were intended to fund training of school business officials, pursuant to Chapter 357, Statutes of 2005 (SB 352). Given the time required to develop standards and regulations, it is unlikely that any funds will be expended in 2005-06. Extending the authority for expenditure of these funds through the 2006-07 will allow the CDE to provide training for an estimated 350 school business officials beyond what will be provided pursuant to schedule (7) of Item 6110-485.	<b>Approve May Revision.</b>	



6110-491	May Finance Revision Letter: <b>Reappropriation - Special Education Deficiency.</b> Local Assistance. (Issue 054)	Reappropriates any savings remaining from Item 6110-161-0001 of the Budget Act of 2003 be used to fund any deficiencies in the base Special Education program for 2004-05 and 2005-06. It is our understanding that there is a deficiency of approximately \$2.0 million in 2003-04. It is not yet clear to what extent, if any, there will be a deficiency in 2005-06, but given some early data from the SDE, we are proposing to make use of balances from the Budget Act of 2003 to ensure that there is no deficiency for that year.	<b>Approve May Revision.</b>	
611-491	May Finance Revision Letter: <b>Reappropriation - School District Fiscal Status Reports.</b> Local Assistance. (Issue 055)	Reappropriates any balances remaining from Item 6110-107-0001 of the Budget Act of 2003 be used to provide an additional annual status report for both the Oakland Unified School District and the West Fresno Elementary School District. There is no statutory requirement that provides any further status reports from these districts, though the districts and the state administrator would likely benefit from additional assessments.	<b>Approve May Revision with amendment to allow a study of Vallejo Unified School District.</b>	

### 31. Other Local Assistance

Item	Issue	Description	Staff Recommendation	BB/L/TB
6110-268-0001	May Revision Finance Letter: <b>Child Oral Health Assessments Program.</b> Local Assistance. General Fund. (Issue 921)	Appropriates <b>\$4.4 million</b> for the costs to schools of enforcing new child oral health assessment requirements. Parents with children entering Kindergarten will be required to present proof that their child received an oral health assessment by a licensed dentist, or other licensed or registered dental health professional.	Approve May Revision funding and strike budget language references requiring separate legislation.	

## 32. Various Full Funding Proposals

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-240-0890	May Revision Finance Letter: <b>Advanced Placement Fee Waiver Program.</b> Local Assistance. Federal Funds. (Issue 912)	Increases federal funding by <b>\$2,426,000</b> due to increased pupil participation and increased federal funding. The funding will be used to reimburse school districts that waived a portion of Advanced Placement test fees for eligible economically-disadvantaged students.	<b>Approve May Revision.</b>	
6110-190-0001	CDE Proposal. <b>Community Day Schools.</b> Local Assistance. General Fund.	Augment funding for Community Day Schools by <b>\$4.3 million</b> to cover an estimated shortfall in funding for this program in 2006-07. The Governor's budget provides \$49.4 million for the community day school program. This amount constitutes a \$2.4 million increase over the amount provided in 2005-06 to provide a cost-of-living adjustment.	<b>Augment Community Day Schools by \$1.8 million.</b>	

### 33. Various State Operations

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0001	May Revision Finance Letter: <b>Restoration of Immediate Intervention/Underperforming Schools Program Positions.</b> State Operations. General Funds.	Augments by <b>\$1,627,000</b> to restore 13.5 positions that support the Immediate Intervention /Underperforming Schools Program (II/USP). The 2006-07 Governor's Budget proposed elimination of these positions to reflect the phase out of the II/USP program. Originally approved for activities associated with the Public Schools Accountability Act of 1999 (PSAA), the SDE indicates that these positions continue to support PSAA-related activities such as the Academic Performance Index, the Governor's Performance Award programs, PSAA waiver requests, and some prolonged II/USP activities. Due to these continuing activities and ongoing efforts to coordinate state and federal accountability programs, it is requested that these positions and funding be restored.	<b>Approve May Revision.</b>	

<a href="#">6110-001-0001</a>	<b>May Revision Finance Letter: School Facilities Planning</b>	School Facilities Planning. Provides <b>\$167,000</b> to convert 1.9 limited-term positions in the School Facilities Planning Division to permanent positions. These positions are funded with State School Facility Fund revenues. CDE believes these positions are needed to provide school districts with timely review and approval of school construction and modernization plans and the approval of sites on an ongoing basis.	<a href="#">Approve May Finance Letter.</a>	
<a href="#">6110-001-0001</a>	<b>May Revision Finance Letter: Special Education - Data Collection</b>	Special Education - Data Collection. Provides <b>\$288,000</b> in federal IDEA funds for 2.8 information technology positions to meet new federal reporting and accountability requirements under the Individuals with Disabilities Education Act, as reauthorized in December 2004.	<a href="#">Approve May Revision.</a>	
<a href="#">6110-001-0001</a>	<b>May Revision Finance Letter: Business Official Training</b>	Business Official Training. Provides <b>\$78,000</b> in General Funds for a 0.9 position to administer the new Chief Business Official Training Program created by Chapter 356, Statutes of 2005 (SB 352/Scott). The position will work to develop criteria for the approval of state-approved training providers, developing an application process and reviewing applications. The Governor provides \$1 million for the second year of local assistance funding for the program in 2006-07. The Subcommittee heard this issue at an earlier hearing.	<a href="#">Approve May Revision.</a>	

6110-001-0001	May Revision Finance Letter: Child Care	Child Care - Alternative Payment Monitoring Unit. Upgrades a 0.5 office assistant position to a 1.0 office technician position to help CDE maintain a database in the Alternative Payment Monitoring Unit. The Governor proposes this change in both 2005-06 and 2006-07.	Approve May Revision.	
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### 34. Continuous Appropriations - Current Year

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-601-0001	<u>School District Apportionments, Continuous Appropriation, Education Code Section 42238, 2004-05 Local Property Tax Offset and Revised Growth Adjustments. Local Assistance. (Issues 123 and 124)</u>	It is noted that this item is reduced to reflect a decrease of <b>\$70,386,000</b> due to revised estimates of ADA, costs of the Public Employee's Retirement System offset, unemployment insurance reimbursements and other miscellaneous changes. This item is further reduced by \$127,225,000 due to an increase in offsetting local revenue estimates. The total change nets to a decrease in General Fund commitments of \$197,611,000.	<b>Approve May Revision.</b>	
6110-608-0001	<u>County Offices of Education Apportionments, Growth and Local Property Tax Offset. (Issues 403 and 402)</u>	It is requested that this item be increased by <b>\$10,603,000</b> to reflect an increase in the estimated growth of the apportionments and reduced by \$932,000 to offset changes to local property tax revenue allocations to county offices of education.	<b>Approve May Revision.</b>	
6110-601-0986	<u>School Districts, Local Revenue Allocation. (Issue 402)</u>	It is requested that this item be increased by <b>\$122,603,000</b> to reflect adjustments to the estimated property tax revenue allocated to K-12 school districts.	<b>Approve May Revision.</b>	

6110-602-0986	<b>County Offices of Education, Local Revenue Allocation.</b> (Issue 402)	It is requested that this item be increased by <b>\$932,000</b> to reflect adjustments to the estimated property tax revenue allocated to county offices of education.	<b>Approve May Revision.</b>	
6110-603-0986	<b>Special Education, Local Revenue Allocation.</b> (Issue 402)	It is requested that this item be reduced by <b>\$1,252,000</b> to reflect adjustments to the estimated property tax revenue allocated to special education programs.	<b>Approve May Revision.</b>	



## 35. Continuous Appropriations - Budget Year

Item	Issue	Description	Staff Recommendation	BB/L/TB
6110-601-0986	May Revision: <b>School Districts, Local Revenue Allocation</b> (Issue 402)	It is requested that this item be increased by <b>\$1,988,000</b> to reflect adjustments to the estimated property tax revenue allocated to K-12 school districts.	Approve May Revision.	
6110-602-0986	May Revision: <b>County Office of Education, Local Revenue Allocation</b> (Issue 402)	It is requested that this item be increased by <b>\$2,104,000</b> to reflect adjustments to the estimated property tax revenue allocated to county offices of education.	Approve May Revision	
6110-603-0986	May Revision: <b>Special Education, Local Revenue Allocation</b> (Issue 402)	It is requested that this item be reduced by <b>\$3,261,000</b> to reflect adjustments to the estimated property tax revenue allocated to special education programs.	Approve May Revision	
6110-608-0001	May Revision: <b>County Offices of Education Apportionments, Local Property Tax Offset and Deficit Factor Elimination</b> (Issues 402,407,409)	It is requested that this item be reduced by \$2,104,000 to offset changes to local property tax allocations for county offices of education and increased by \$18,556,000, of which \$756,000 is to fully fund county offices of education revenue limits and eliminate the remaining deficit factor and <b>\$17.8 million</b> to provide additional non-instruction revenues for county offices of education.	Approve May Revision on property tax adjustments and deficit factor. Reduce May Revision proposal for county administration by \$16.8 million.	

6110-601-0001	<p>May Revision: <b>School District Apportionments, Continuous Appropriation</b>, Education Code Section 42238, 2006-07 Growth, Cost of Living, Local Property Tax Offset, and Deficit Factor and Equalization Adjustments, (Issues 120, 121, 122, 126, and 127)</p>	<p>It is requested that this Non-Budget Act item be increased by a total of \$227,910,000 to reflect a decrease of \$197,549,000 to account for revised estimates of Average Daily Attendance (ADA), revised costs of the Public Employee's Retirement System offset, revised unemployment insurance reimbursements and other miscellaneous changes, a decrease of \$6,610,000 to reflect revised local property tax estimate adjustments, an increase of \$230,398,000 to reflect a revised COLA factor of 5.92 percent, an increase of \$101,671,000 to eliminate the deficit factor, and an increase of \$100,000,000 for equalization funding.</p>	<b>Approve May Revision</b>	
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## 36. Control Section 12.40 - Funding Flexibility

Item	Issue	Description	Staff Recommendation	BBL/TB
Control Section 12.40	April Finance Letter: <b>Transfer Flexibility Among Categorical Programs.</b> (Issue 839)	Eliminates a number of items containing appropriations for block grants that were included in Control Section 12.40. Since statute already allows educational agencies to transfer funds between these block grants, the Administration does not believe they should be included in this control section. In addition, one of the other items in the control section has been renumbered. It is requested that Section (b) of Control Section 12.40 be amended to reflect these technical corrections.	Eliminate EIA and Foster Care from the list of programs that can have funds transferred out.	

## II. Control Section 24.30 & School Facilities Aid Program (Item 6350)

Item	Issue	Description	Staff Recommendation	BB/L/TB
Control Section 24.30 & School Facilities Aid Program (Item 6350)	Governor's January Budget: <b>State School Facility Programs.</b> Control Section 24.30	The Governor proposes to continue budget control language to require the transfer of rental income from the State Relocatable Classroom Program and remaining funds for the Migrant Housing Program to the State General Fund, as determined by the Department of Finance. According to the State Allocation Board, they have full authority over funds from both these programs.	<b>Eliminate Control Section 24.30 (b) to conform to action by Subcommittee to eliminate section 24.30 (a) at the April 24th Subcommittee hearing. Adopt trailer bill language to allow excess Migrant Housing funds for other State School Facility Program. Conform action to Budget Item 6350 -- School Facilities Aid Program.</b>	

### III. California Summer School for the Arts (Item 6255)

Item	Issue	Description	Staff Recommendation	BBL/TB
6255-001-0001	May Revision Budget Letter: <b>California State Summer School for the Arts.</b> State Operations. General Fund (Issue 665)	Provides an increase of <b>\$676,000</b> to provide additional funds to allow the California State Summer School for the Arts to reduce fees and offer additional scholarships. These funds fulfill the statutory intent that the state provide funding to support up to 75 percent of the total program costs. This augmentation brings total state funding \$1.5 million in 2006-07.	Approve May Revision.	

## IV. Commission on Teacher Credentialing (Item 6360)

Item	Issue	Description	Staff Recommendation	BBL/TB
6360-001-0407	May Revision Budget Letter: <b>Development of the Teacher Data System.</b> State Operations. Reimbursement. (Issue 495)	Increases reimbursement authority by <b>\$252,000</b> for expenditure of Federal Title II one-time carryover funds. These funds will be provided through an interagency agreement with the California Department of Education and will fund 1.5 positions and other costs associated with development of a new Teacher Data System.	<b>Approve May Revision.</b>	
6360-001	<b>Legislative Change Proposal:</b> Elimination of Two Efficiencies Adopted in 2005-06.	CTC implemented a number of program efficiencies and cost savings that were approved by the Commission last year and enacted as a part of the final 2005-06 budget. The Commission has not implemented two of these efficiencies enacted as a part of the 2005-06 budget following a letter from the Legislative Leadership in September 2005. Legislative leaders requested the Commission to postpone adoption of these regulations until early 2006 to give the Legislature an opportunity to revisit this issue.	<b>Approve Legislative changes to the CTC budget for 2006-07 to (1) eliminate two efficiencies approved in the 2005-06; and (2) augment the expenditure of the CTC budget by \$25,804 to reflect the loss in savings.</b>	

6360-001-0001	Legislative Proposal: <b>Administration Funds for Paraprofessional Program.</b> Local Assistance. General Fund.	Increase funding for the Paraprofessional Program by <b>\$1.267 million</b> . This will increase the program stipend from \$3,000 to \$3,5000 for each participant and provide funding for all individuals on the current waiting list. The Paraprofessional Program provides funding to paraprofessionals to take college courses to become future teachers.	<b>Approve Legislative augmentation.</b>	
6360-001-0001	Legislative Proposal: <b>Administration Funds for Paraprofessional Program.</b> State Operations. General Fund.	Add <b>\$227,000</b> in General Funds to administer the Paraprofessional Training Program. CTC currently receives no funding to administer this program. Provides 3 percent for state administration.	<b>Approve Legislative augmentation.</b>	